

Issue 12 — December 20, 2002

In this issue:

- HECB nears completion of 2001-02 Unit Record Report
- SNG stakeholders hold first of several policy discussions
- Promise Scholarship evaluation finds that program is effectively responding to its statutory goals
- Governor calls for SNG to keep pace with tuition increases
- *Financial Aid News* will keep you posted about legislative action

HECB nears completion of 2001-02 Unit Record Report

The Higher Education Coordinating Board (HECB) has nearly finished its edits of the financial aid Unit Record Report for 2001-02.

"We want to thank everyone at the institutions for their efforts to collect this data, ensure its accuracy, and submit it to the Board on time" said Becki Collins, the Board's director of education services.

In the coming months, Board staff will be working more closely with some institutions to help bring further improvements to their Unit Record data.

The Unit Record is a student- and program-specific report of the types and amount of financial aid awarded to needy students attending Washington institutions in a given academic year. It provides comprehensive information about financial aid recipients and how federal, state, institutional, and private funds are distributed to needy Washington students. Every institution that participates in state financial aid programs must submit Unit Record data at the conclusion of each fiscal year.

Data from the Unit Record Report helps document the need for funding state financial aid programs. In addition, the report enables the Board to respond to legislative information requests and serves as a valuable research tool for student financial aid program and policy evaluation.



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SNG stakeholders hold first of several policy discussions

On Nov. 19, 2002, HECB staff met with 45 State Need Grant (SNG) program stakeholders to discuss several policy issues. Participants included financial aid administrators from each sector, staff from legislative higher education and fiscal committees, the governor's office, and representatives of the state's higher education agencies and associations.

The agenda included the following topics:

- Review of the process for setting 2002-03 maximum SNG award amounts;
- Recap of 2001-02 fiscal year expenditures;
- Grant amounts as a percent of tuition among sectors;
- Issues related to recognizing 15 credits as full-time tuition for the purpose of setting award amounts;
- Community and Technical Colleges' SNG legislative initiative; and
- Issues posed by the Council of Presidents office.

The meeting was the first of several conversations regarding SNG policies. The next meeting will be scheduled for early 2003.

Please contact Colleen Scovill, colleens@hecb.wa.gov or (360) 753-7850, for further information about specific agenda items or for a list of participants.

Promise Scholarship evaluation finds that program is effectively responding to its statutory goals

The Board adopted its evaluation of the Washington Promise Scholarship program at its Dec. 12, 2002 meeting.

The Promise Scholarship was established to encourage excellent academic performance and to reward low- and middle-income students who demonstrate meritorious achievement in high school by providing them a two-year college scholarship. The Legislature directed the evaluation, which covers the first two years of the program (1999-2001).

Among the conclusions of the evaluation:

- The Promise Scholarship program made college more affordable for recipients. Recipients who received other financial aid, on average, received more grants — and borrowed less — than other students with similar circumstances.
- For the program to influence — and not just reward — student behavior, it must be predictable and stable. Students must be reasonably sure that, if they meet eligibility standards, the scholarship will be available when they graduate from high school.

- Funding for the program should support awards that are equal to full-time community college tuition. (The value of the scholarship, as a percentage of tuition at the community colleges, has declined in each of the last three academic years — from 94 percent in 2000-01 to 48 percent in 2002-03.)
- Current standards to establish academic and financial eligibility should be maintained. Using an income-cutoff for eligibility ensures that state appropriations will be provided to students from low- and middle-income families.
- The existing academic eligibility criteria ensure that students at all schools across the state, as well as students who are home-schooled, have the opportunity to apply.

The full report is available online: [Washington Promise Scholarship Program Evaluation](#).

Governor calls for SNG to keep pace with tuition increases

Spending plan caps resident undergraduate tuition increases at 9 percent

Gov. Gary Locke released his 2003-05 state budget on Dec. 17. As expected, the spending plan proposed numerous reductions in personnel and services to address an anticipated \$2 billion budget deficit.

Higher education remains one of the governor's priorities in this austere fiscal climate. While the budget calls for \$179 million in funding cuts at colleges and universities, it also gives institutional boards authority to raise tuition to offset most of the resulting shortfalls. The governor's proposal caps annual increases for resident undergraduate tuition at 9 percent.

The governor intends to increase State Need Grant (SNG) funding by \$32 million over the biennium. This would ensure that SNG awards keep pace with potential 9 percent increases in resident tuition. A technical glitch in the proposed budget does not accomplish this goal, but the Board is working with the Office of Financial Management to ensure that SNG awards offset anticipated tuition increases. Under the governor's proposal, the SNG program would continue to serve students with family incomes up to 55 percent of the state median.

You can access the governor's budget online at the [Office of Financial Management web site](#).

Financial Aid News will keep you posted about legislative activities

The Legislature convenes in Olympia on Jan. 13 for a planned 105-day session. Hill watchers caution that the release of the governor's budget is just the first of many spending plans that will emerge during the session.

Throughout the session, the *Financial Aid News* will publish weekly to keep you informed about the latest legislative activities concerning financial aid and higher education issues. Expect to see it in your inbox every Friday.

Because our focus will shift to legislative affairs, some of our outside news reporting will drop off. We will, however, continue to bring you updates about state financial aid programs.

We wish you a very happy new year.